

Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services
October 31, 2001

**Mark-up of the U.S. Contributions to the Asian Development Fund and
International Fund for Agricultural Development; the U.S. Export-Import
Bank Reauthorization; and the Unlawful Internet Gambling Funding
Prohibition Act**

Today the Committee on Financial Services will consider three bills that will affect important and diverse issues under our jurisdiction.

H.R. 2604 is the first piece of legislation to come before the Full Committee that reflects our important role in crafting U.S. international monetary policy. This measure authorizes U.S. contributions of \$412 million to the Asian Development Fund and \$30 million to the International Fund for Agricultural Development for the replenishment of these two institutions.

The Asian Development Fund is the concessional lending arm of the Asian Development Bank that provides loans to developing member countries with low per capita income and limited debt repayment capacities. Funds from this institution are used to build infrastructure projects, support health care services and promote education in the Asia-Pacific region. Unlike the other regional multilateral development banks, the International Fund for Agricultural Development has a specific functional mandate to combat hunger and rural poverty in developing countries.

The second bill to be considered will be H.R. 2871. This legislation reauthorizes the Export-Import Bank of the United States (Ex-Im) for a period of four years. Ex-Im plays an important role in helping U.S. businesses export their goods to overseas markets they might otherwise not reach. In FY 2000 Ex-Im financed \$12.6 billion in loans, guarantees, and insurance for the export of U.S. non-military goods and services valued at \$15.5 billion. By opening foreign markets to U.S. products, the U.S. economy improves and more American workers have good paying manufacturing jobs.

Ex-Im levels the playing field of international trade by enabling U.S. products to compete against foreign goods that receive financing from government sponsored export credit agencies. Without Ex-Im, foreign manufacturers would secure many international contracts based on subsidized pricing to the detriment of U.S. producers. H.R. 2871 makes several strong improvements to the Ex-Im charter, which will enable it to deliver more U.S. goods to foreign customers.

I want to thank Chairman Bereuter for all his hard work on both H.R. 2604 and H.R. 2871. These are comprehensive measures that address many difficult issues. While the Committee has worked closely with both the Treasury

Department and Ex-Im in crafting these bills they continue to raise concerns. It is my hope that we can continue to work together as this process moves forward.

H.R. 556, the Unlawful Internet Gambling Funding Prohibition Act, was introduced by the distinguished former Chairman of the Banking Committee, Mr. Leach. I will be offering a manager's amendment reflecting this Committee's vote on October 11 of this year retaining the Internet gambling-related provisions of H.R. 3004, the Financial Anti-Terrorism Act of 2001, which was reported out of this Committee by a vote of 62-1.

Recalling earlier testimony before this Committee, on October 3 of this year we brought the FBI and the Department of Justice in to testify on the Internet gambling provisions of the Committee's money laundering bill. Both testified that such a measure would provide needed ammunition in the Federal law enforcement arsenal, and the FBI testified that it could assist in several pending cases or future cases where there was a link between organized crime and money laundering.

This bill makes nothing legal now that isn't currently so, nor does it make illegal anything that law enforcement does not currently consider unlawful. What it **does** is make it a crime to accept payment by credit card, check or electronic funds transfer for unlawful Internet gambling transactions, and requires a bank, credit card company or EFT entity to stop payment to a particular named site when ordered by a court to do so.

No dramatic shift in business practices is mandated or authorized under this legislation. This bill does not require that banks or credit card companies stop processing all Internet gambling transactions. Rather, institutions must only make a good faith effort to discontinue processing transactions to or from specific unlawful Internet gambling businesses that have been singled out in court orders. Financial institutions are not liable if illegal transactions are processed without their knowledge or if the gambling business tries to bypass an injunction by mutating its identity. It is important to remember that banks and credit card companies already have experience in blocking financial transactions, pursuant to their obligation to block any transactions with terrorists, drug lords or other parties on the OFAC blocking list.

H.R. 556, as modified by the manager's amendment, is good legislation, much needed by law enforcement. I would ask for the support of all members of this Committee.